
Leasing Activities Information



U.S. Department of the Interior
Minerals Management Service
Gulf of Mexico OCS Region

Information To Lessees Western Planning Area, Oil and Gas Lease Sale 207 (Final Notice of Sale)

This document contains Information to Lessees (ITL) paragraphs designed to inform potential bidders of notable applicable requirements of Federal agencies other than the U.S. Minerals Management Service (MMS) as well as emerging MMS requirements that may apply to this sale.

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(a) Navigation Safety. Operations on some of the blocks offered for lease may be restricted by designation of fairways, precautionary zones, anchorages, safety zones, or traffic separation schemes established by the U.S. Coast Guard pursuant to the Ports and Waterways Safety Act (33 U.S.C. 1221 et seq.), as amended, and the Deepwater Port Act (33 U.S.C. 1501-1524). Bidders are advised to review the U.S. Coast Guard regulations at 33 CFR Part 150, including Appendix A, regarding Deepwater Port Safety Zone Boundaries, and Annex A regarding the Louisiana Offshore Oil Port (LOOP) Safety Zones.

U.S. Army Corps of Engineers (COE) permits are required for construction of any artificial islands, installations, and other devices permanently or temporarily attached to the seabed located on the Outer Continental Shelf (OCS) in accordance with section 4(e) of the OCS Lands Act, as amended.

For additional information, prospective bidders should contact, Lieutenant Commander Steve Keel, Sector New Orleans, 1615 Poydras Street, Suite 700, New Orleans, Louisiana 70112, (504) 565-5044. For COE information, prospective bidders should contact Mr. Kevin Morgan, Chief Evaluation Section, Regulatory Branch, Post Office Box 1229, Galveston, Texas 77553-1229, (409) 766-3938.

(b) Ordnance Disposal Areas. Bidders are cautioned as to the existence of two inactive ordnance disposal areas in the Corpus Christi and East Breaks areas, shown on the map “Final, Western Planning Area, Lease Sale 207, August 20, 2008, Stipulations and Deferred Blocks” included in the Sale Notice Package. These areas were used to dispose of ordnance of unknown composition and quantity. These areas have not been used since about 1970. Water depths in the Corpus Christi area range from approximately 600 to 900 meters. Water depths in the East Breaks area range from approximately 300 to 700 meters. Bottom sediments in both areas are generally soft, consisting of silty clays. Exploration and development activities in these areas require precautions commensurate with the potential hazards.

(c) Proposed Artificial Reefs/Rigs to Reefs. Bidders are advised that there are OCS artificial reef planning and general permit areas, and reef sites for the Gulf of Mexico. These are located in water depths of less than 200 meters. While all artificial reef sites require a permit from the U.S. Army Corps of Engineers, the Artificial Reefs/Rigs-to-Reefs program is implemented through State sponsorship through the following State Coordinators:

<u>Alabama</u>	Mr. Steve Heath	(251) 968-7576
<u>Florida</u>	Mr. Jon Dodrill	(850) 922-4340
<u>Louisiana</u>	Mr. Doug Peter	(225) 765-2375
<u>Mississippi</u>	Mr. Kerwin Cuevas	(228) 523-4061
<u>Texas</u>	Mr. Dale Shively	(512) 389-4686

For more information on Artificial Reef/Rigs-to-Reefs sites, prospective bidders should contact the above listed State Artificial Reef Coordinators for their areas of interest.

(d) Lightering Zones. Bidders are advised that the U.S. Coast Guard has designated certain areas of the Gulf of Mexico as lightering zones for the purpose of permitting single hull vessels to off-load oil within the U.S. Exclusive Economic Zone. Such designation may have implications for oil and gas operations in the areas. See 33 CFR 156.300 for the regulations concerning lightering zones; additional information may be obtained from Lieutenant Commander Kevin Ullrich of the Coast Guard's Ports and Facilities Compliance Staff (G-MOC-3) at (202) 372-1232.

(e) Information about Indicated Hydrocarbons. Bidders are advised that the MMS makes available, approximately 3 months prior to a lease sale, a list of unleased blocks having well bores with indicated hydrocarbons, which includes Eastern Planning Area, Central Planning Area and Western Planning Area data. Basic information relating to: production, well bores, and pay range for each block is included in the list. The list is available from the MMS Gulf of Mexico Region website at:
<http://www.gomr.mms.gov/homepg/offshore/gulfocs/hclist/hclist.html>.

(f) Military Areas. Military Warning Areas are established in the FAA Air Traffic Document JO 7400.8N "Title 14-Aeronautics and Space - Chapter 1 Federal Aviation Administration - Subchapter Airspace - Part 73- Special Use Airspace Regulatory and Nonregulatory" This document may be downloaded from the FAA website:
http://www.faa.gov/airports_airtraffic/air_traffic/publications/at_orders/media/SUA.pdf.

The Military Areas Stipulation (Stipulation No. 2 in the document "Lease Stipulations" included in the Sale Notice Package) will be applied to leases in any new areas that may be established by that publication in addition to blocks in those Warning Areas which have had the stipulation in past sales.

Certain restrictions on flights and radio communications in the Warning Areas will require close coordination between lessees (and their operators and agents) and the appropriate military commander using the specific Warning Area. It is the responsibility of lessees to establish and maintain contact and coordination with the military commander(s) in any Warning Area in which operations or flights would be expected in the course of occupying and developing any leases; this could include flights through a Warning Area traveling to a leased block which is not in a Warning Area.

Lessees should establish and maintain contact and coordination with the appropriate military commander(s) whether or not there is a military stipulation in their lease(s).

The contact for administrative questions about the warning areas is:

Federal Aviation Administration
Houston Air Route Traffic Control (ARTC) Center
16600 John F. Kennedy Boulevard
Houston, Texas 77032
Telephone: (281) 230-5563

For additional information, including a map of the Military Warning and Water Test Areas, see Notice to Lessees 2004-G02, available from the MMS Gulf of Mexico Region Office Public Information Unit at the address at the end of this document and from the MMS Internet site at: www.gomr.mms.gov/homepg/regulate/regs/ntls/ntl04-g02.html

(g) Lease Stipulation for Protected Species (Sea Turtles, Marine Mammals, Gulf Sturgeon, Brown Pelican, Whooping Cranes, and Other Federally Protected Species). Bidders are advised that, pursuant to requirements of section 7 of the Endangered Species Act, the MMS has completed consultations with the National Marine Fisheries Service (NMFS) and the U.S. Fish and Wildlife Service (FWS). The Biological Opinions issued by NMFS and FWS specify measures to minimize or avoid potential adverse impacts to protected species. In accordance with these opinions, the MMS has included terms and conditions as appropriate in the Protected Species Stipulation (Stipulation No. 5), and in several Notices to Lessees (NTLs). Bidders should also note that NMFS included in its opinion a conservation recommendation that helicopter operations over the Gulf be conducted at altitudes above 1,000 feet if practicable, to avoid disturbance to whales and sea turtles. The FWS has recommended in its opinion that, to avoid disturbance of brown pelican nesting activities, aircraft working on OCS activities should avoid flying lower than 1,000 feet above ground level or within a 2,000 foot perimeter around an island containing a nesting colony.

Three NTLs are currently in force that detail these measures.

NTL No. 2007-G02, entitled “Implementation of Seismic Survey Mitigation Measures and Protected Species Observer Program,” is effective February 7, 2007. The NTL, issued pursuant to 30 CFR 250.103, explains how to implement seismic survey mitigation measures. This NTL supersedes and replaces NTL No. 2004-G01, and applies to all seismic operations throughout the Gulf of Mexico OCS in waters deeper than 200–meters (656-feet), and in all water depths in the Eastern Planning Area of the Gulf of Mexico. These measures apply to all on-lease seismic surveys conducted under 30 CFR 250.201 and all off-lease seismic surveys conducted under 30 CFR 251. NTL No. 2007-G02 may be obtained from our Public Information Unit at the address at the end of this document or online at: www.gomr.mms.gov/homepg/regulate/regs/ntls/2007NTLs/07-g02.pdf

NTL No. 2007-G03, entitled “Marine Trash and Debris Awareness and Elimination” became effective on February 7, 2007, and is issued pursuant to 30 CFR 250.103. This NTL supersedes NTL No. 2003-G11 on this subject. The NTL provides guidance to prevent intentional and/or accidental introduction of debris into the marine environment. This NTL applies to all existing and future oil and gas operations in the Gulf of Mexico OCS. The NTL provides information on the marine trash and debris awareness training video and slide show. It also includes both postal and e-mail addresses for submitting annual training reports. This NTL may be obtained from our Public Information Unit at the address at the end of this document or online at: www.gomr.mms.gov/homepg/regulate/regs/ntls/2007NTLs/07-g03.pdf

NTL No. 2007-G04, entitled “Vessel Strike Avoidance and Injured/Dead Protected Species Reporting”, became effective on February 7, 2007, is issued pursuant to 30 CFR 250.103 and 30 CFR 250.282 to explain how to implement measures to minimize the risk of vessel strikes to protected species and report observations of injured or dead protected species. This NTL supersedes NTL 2003-G11 on this subject and revises the protected species reporting procedures and contact information. This NTL applies to all existing and future oil and gas operations in the Gulf of Mexico OCS. This NTL may be obtained from our Public Information Unit at the address at the end of this document or online at:
www.gomr.mms.gov/homepg/regulate/regs/ntls/2007NTLs/07-g04.pdf

(h) Safety Zones for Certain Production Facilities. Bidders are advised to review the USCG regulations at 33 CFR, Chapter I, Part 147 - Safety Zones. These regulations established a 500-meter (1,640.4-foot) safety zone around several oil and gas production facilities on the Gulf of Mexico OCS, measured from each point on its outer edge or from its construction site, not to interfere with the use of recognized sea lanes essential to navigation. These facilities and their locations are specifically identified at 33 CFR, Chapter I, Parts 147.801 through 147.843.

These regulations prevent all vessels from entering or remaining in the safety zones except for: an attending vessel, a vessel under 100 feet in length overall not engaged in towing, or a vessel authorized by the Eighth Coast Guard District Commander.

(i) MMS Inspection and Enforcement of Certain Coast Guard Regulations. Bidders are advised to review the U.S. Coast Guard regulations at 33 CFR, Chapter I, Part 140, Subpart B – Inspections. These regulations authorize the MMS to perform inspections on fixed OCS facilities engaged in OCS activities and to enforce Coast Guard regulations applicable to those facilities in accordance with 33 CFR, Chapter I, Subchapter N. Specific questions regarding this authorization may be directed to:

U.S. Coast Guard’s Eighth District
Marine Safety Office
1615 Poydras Street
New Orleans, Louisiana 70112.

(j) Debarment and Suspension (Nonprocurement). Bidders are advised that in accordance with regulations at 2 CFR Parts 180 and 1400, the lessee shall comply with the U.S. Department of the Interior's nonprocurement debarment and suspension requirements, and agrees to communicate this requirement to comply with these regulations to persons with whom the lessee does business as it relates to this lease by including this term as a condition to enter into their contracts and other transactions. This agreement will be evidenced by language prepared by MMS through an addendum included in each lease resulting from this lease sale.

(k) Potential Sand Dredging Activities (Western and Central Planning Areas) in High Island Area, Blocks 38, 39, 45 through 48, 71 through 76, 88, 89, 114, 199, 200, and 202; Sabine Pass Area, Blocks 10 through 16, 40 (TX), 44 (TX); West Cameron Area, Blocks 20 through 22, 43 through 45, 56 through 58, 90 through 93, 113 through 118, 128 through 134, 147 through 149, 155 through 157, 160 through 162, and 168 through 172; Vermilion Area, Blocks

11, 30, 51 through 54, 69 through 75, and 87 through 96; South Marsh Island Area, North Addition, Blocks 207 through 237, 241 through 249, 259, and 260; Eugene Island Area, Blocks 10, 18 through 35, 37 through 69, and 71 through 93; Ship Shoal Area, Blocks 64, 71, 84 through 100, and 107 through 110; South Pelto Area, Blocks 11 through 14, and 18 through 20; West Delta Area, Blocks 20 through 31, 43 through 50, and 56 through 61; Main Pass Area, Blocks 86 through 90, 93 through 114, 161, 162, 180, and 181; Chandeleur Area, Blocks 16 through 27 and 29 through 34; and Mobile, Blocks 816 through 821, 860 through 865, 904 through 909.

It is possible that offshore dredging activities to obtain OCS sand for beach nourishment and coastal restoration projects will occur in some of the blocks cited above in the next 5 years. Additional High Island Area, Sabine Pass Area, West Cameron Area, Vermillion Area, South Marsh Island Area, Ship Shoal Area, South Pelto Area, West Delta Area, Main Pass Area, Chandeleur Area, and Mobile Blocks have been recently added to the list.

Central Planning Area: The National Oceanic and Atmospheric Administration and the Louisiana Department of Natural Resources (LDNR) plan to use approximately 4.8 million cubic yards of sand from the Sandy Point borrow areas in the West Delta Area to restore Pelican Island. The U.S. Department of Agriculture Natural Resource Conservation Service and LDNR plan to use approximately 0.5 million cubic yards of OCS material from a borrow area immediately north of Ship Shoal to restore the marsh on Raccoon Island. The LDNR is considering the use of sand from the buried Peveto Channel deposit in the West Cameron Area and Sabine Bank in the Sabine Pass and West Cameron Areas to renourish Holly Beach. The U.S. Environmental Protection Agency, Region 6, and LDNR are considering the use of 5.2 million cubic yards of sand from the Ship Shoal Area for a coastal barrier island protection project at Whiskey Island. In July 2004, the COE released the draft plan that identified Ship, Tiger, and Trinity Shoals as possible sand sources for the coastal restoration portion of a 10-year, \$1.9 billion program to address the most critical ecological needs facing the Louisiana coastal area. St. Bernard Shoals has been identified as a possible target for the restoration of the Chandeleur Islands. In late 2007, the passage of the Water Resources Development Act of 2007 authorized the Louisiana Coastal Area Restoration Plan. Upwards of 60 million cubic yards of OCS sand could be required for barrier shoreline, headlands, and island restoration actions.

Western Planning Area: The MMS-Texas Cooperative Sand Program identified offshore sand deposits at Heald Bank and Sabine Bank for possible use in coastal restoration projects along the Texas coast. Although no specific beach nourishment or coastal restoration projects have been identified to date, that will be using those resources, it is possible that projects may occur in the future.

For further information or a map of the potentially affected lease blocks, please contact Chief, Leasing Division, Minerals Management Service, at (703) 787-1215.

(1) Concrete Anchors. - Bidders are advised of the existence of concrete anchors left on the seafloor after acquisition of several geophysical surveys in various areas in the Gulf of Mexico.

The locations of these anchors should be considered when conducting post lease hazard surveys, as required by MMS regulation 30 CFR 250 Subpart B.

Additional information regarding the locations of these anchors will be made available on our website in the near future; however, until this website is available, you may contact Mr. John Johnson at (504) 736-2455 or Mr. Ron Brinkman at (504) 736-2720 with questions regarding the concrete anchors.

(m) Force Majeure. Bidders are advised that the Regional Director of the MMS Gulf of Mexico Region has the discretion to change any date, time, and/or location specified in the Final Notice of Sale 207 Package (FNOS 207 Package) in case of a force majeure which the Regional Director deems may interfere with the carrying out of a fair and proper lease sale process. Such events may include, but are not limited to, natural disasters (earthquakes, hurricanes, floods), wars, riots, acts of terrorism, fire, strikes, civil disorder or other events of a similar nature. In case of such events, bidders should call (504) 736-0557 or visit the MMS Gulf of Mexico Region website at www.gomr.mms.gov for information about any changes.

(n) Updated Geophysical Data and Information Statement Instructions. Bidders are advised that the “Geophysical Data and Information Statement” section of the FNOS 207 Package as well as the Example of Preferred Format have been updated. Please note that every bidder submitting a bid on a block in Sale 207, or participating as a joint bidder in such a bid, must submit a Geophysical Data and Information Statement.

**Gulf of Mexico Region Public Information Unit
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